is the most significant burden after revised salary bill in revenue expenditure of States;

(b) if so, whether Government have any plans to convert all existing loan into block loan in order to recalculate and reduce the interest on this block loan;

(c) if so, by when the same would be done;

(d) if not, the reasons therefor; and

(e) whether Government have any plans to fix five years for repayment of this block loan and one year for repayment of the interest?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI ANANDRAO VITHOBA ADSUL): (a) Yes, Sir.

(b) and (c) No such proposal is currently under consideration of the Government.

(d) and (e) Debt relief is guided by the recommendation of the Finance Commission. The Twelfth Finance Commission (TFC) is mandated to assess the debt position of the States as on 31st March, 2004 and suggest such corrective measures, as are deemed necessary for macro economic stability and debt sustainability.

Conditions for Opening of Co-operative Banks

915. SHRI RAMA MUNI REDDY SIRIGIREDDY:
SHRI K. RAMA MOHANA RAO:

Will the Minister of FINANCE be pleased to state:

(a) what are the conditions to start as under co-operative bank;

(b) whether an urban co-operative bank can be started without obtaining any licence from RBI;

(c) the number of urban co-operative banks in the country which are running without obtaining licence from RBI, State-wise; and

(d) the total amount of deposits in the urban co-operative banks in the country, State-wise?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI ANANDRAO VITHOBA ADSUL): (a) As reported by Reserve Bank of India (RBI), the following criteria/norms are advised for licensing new urban co-operative banks (UCBs):

- Enhanced entry point (capital) norms, ranging from Rs. 25 lakhs to Rs. 4 crore, depending on the population of the centre;
- The capital requirements are halved for banks set up with only one branch, or by mahilas/SC/ST and in less developed States. Reduced membership/capital requirements are also applicable for banks set up in least developed States/notified backward regions/North-eastern States;
- Emphasis is made on securing stronger corporate governance with minimum eligibility criteria prescribed for promoters of new UCBs—of not being a defaulter to any bank/financial institution, not being convicted of any criminal offence, should not have any criminal proceedings against them, not be associated as director with any chit fund/NBFC/cooperative/commercial banks, at least two promoters with suitable banking experience or with relevant professional qualifications, etc.
- The business and financial projections submitted by the promoters, their background and credentials and their capability to direct the affairs of the bank;
- Factors influencing the viability of the proposed bank, statutory framework and the strength of the co-operative movement in the State.

(b) No, Sir. A new urban co-operative bank cannot be started without obtaining a licence from RBI.

(c) State-wise details of the number of unlicensed urban co-operative banks operating in the country whose licence applications are under examination by RBI are given in Statement I. Co-operative Banks were brought under the ambit of Banking Regulation Act, 1949 (As Applicable to Cooperative Societies) from 1st March, 1966. There were a number of cooperative banks already functioning prior to this date. As per provisions under B.R. Act, 1949 (AACS), such of the unlicensed

cooperative banks which were carrying on business as a cooperative bank at the commencement of B.R. (Amendment) Act, 1965 were not 'prohibited' from carrying on banking business until it is informed by RBI that a licence cannot be granted. Apart from the 115 unlicensed co-operative banks, there are 58 co-operative societies carrying on banking business unauthorisedly, without licence from RBI, (Kerala-54, Assam-1 and Manipur-3) on the basis of registration by the Registrar of Co-operative Societies of the respective States. In addition, there is one entity in Orissa, which is unauthorisedly carrying on banking business, and one in Uttar Pradesh, which had commenced business even before licence could be issued.

(d) The State-wise details of the total amount of deposits in the urban co-operative banks in the country, as on 31st March, 2003 are given Statement II.

Statement I

State-wise details of the unlicensed urban co-operative banks functioning in the country

Sl.No.	Name of the State	No. UCBs
1.	Andhra Pradesh	8
2.	Assam	4
3.	Gujarat	30
4.	Himachal Pradesh	4
5.	Karnataka	14
6.	Kerala	6
7.	Madhya Pradesh	3
8.	Maharashtra	8
9.	NCT of Delhi	1
10.	Orissa	4
11.	Rajasthan	1
12.	Tamil Nadu	10
13.	Uttar Pradesh	7
14.	West Bengal	15
	TOTAL	115

Statement II

State-wise details of deposits in urban co-operative banks (UCBs) in the country as on 31st March, 2003

Sl.No.	Name of the State	Amount (Rs. in lakhs)
1.	Andhra Pradesh	2,33,956.27
2.	Bihar and Jharkhand	2,307.40
3.	Gujarat	17,02,699.45
4.	Haryana, Himachal Pradesh and Punjab	51,494.01
5.	Jammu and Kashmir	18,402.99
6.	Karnataka	8,71,234.34
7.	Kerala	2,14,835.07
8.	Madhya Pradesh and Chhattisgarh	1,05,953.51
9.	Maharashtra and Goa	58,97,832.24
10.	NCT of Delhi	79,469.49
11.	North-East States	26,188.85
12.	Orissa	58,905.04
13.	Rajasthan	1,14,680.10
14.	Tamil Nadu and Pondicherry	3,10,521.33
15.	Uttar Pradesh and Uttaranchal	1,55,111.23
16.	West Bengal	1,57,699.48
	TOTAL	100,01,290.80

Withdrawal of RBI stake in SBI

916. SHRI KALRAJ MISHRA:
DR. AKHILESH DAS:

Will the Minister of FINANCE be pleased to state:

(a) whether the Reserve Bank of India has decided to give up 55 per cent of its stake in State Bank of India;

(b) if so, the details of the Reserve Bank's decision, indicating its objective and the circumstances leading to this decision; and